

# MISSOURI FIRST LINKED DEPOSIT

## “SMALL BUSINESS”

MISSOURI STATE TREASURERS OFFICE

### PURPOSE

Facilitate a lower interest rate on loans to approved businesses.

### AUTHORIZATION

Sections 30.750 to 30.767, RSMo

### HOW THE PROGRAM WORKS

The State Treasurer will provide a deposit of state funds to an approved lender with borrowers meeting requirements of the program. The deposit rate is lower than market rates, and the difference is passed on to the borrower as a lower interest rate on the loan.

### ELIGIBLE AREAS

Statewide.

### ELIGIBLE APPLICANTS

Eligible borrowers must be headquartered in Missouri, maintain offices, operating facilities and transact business in Missouri; have fewer than 25 employees and be organized for profit. The small business program also includes a business enterprise operating in Missouri that is in the process of marketing its goods, products and services within or outside of Missouri or overseas. Loan approval is made by the financial institution subject to the institution's normal credit policy. This program does **not** guarantee the borrower's loan, nor is it a grant.

### ELIGIBLE USE OF FUNDS

There are few restrictions on the use of funds. Funds can be used for almost any type of operational expenses. This includes: inventory, rent, utilities, insurance, taxes, professional fees, equipment purchase, rental or lease, renovations, repairs and maintenance of equipment and facilities, paving, fencing, loading docks, etc. The purchase or refinancing of real property (land and

buildings) is not permitted. However, maintenance, repair, and renovation expenses to real property are allowed. Funds can be used to refinance an existing qualifying loan.

### APPLICATION PROCEDURE

A brief application must be completed and signed by the lending institution. The lending institution will then forward the application to the State Treasurers Office along with an application for deposit.

The application and guidelines are available at the Missouri State Treasurer web site:

[www.sto.state.mo.us/link/apps/apps/htm](http://www.sto.state.mo.us/link/apps/apps/htm).

### APPROVAL METHOD

The State Treasurer will place a reduced-rate time deposit in the approved financial institution at a below market rate. The lender would, in turn, pass on the interest savings to the borrower.

### FUNDING LIMITS

There is no minimum deposit amount. The maximum deposit per eligible borrower within the deposit year is \$100,000. The borrower may have more than one deposit/loan but at no time can the deposit amount to a given borrower exceed \$100,000. This deposit may be renewed for up to five (5) years or sixty months.

### SPECIAL PROGRAM REQUIREMENTS

Deposits are made available to the lending institutions on a yearly renewal basis. Loan rates are normally 2% to 3% below the normal commercial lending rate. Since this program is neither a grant or is it guaranteed, the lending institution is expected to exercise normal caution in reviewing the small business loan applications.

Audits are periodically performed to ensure eligible borrowers are receiving benefit from the

lowered rates and have not exceeded the time frame for eligibility. If the borrower does not meet the requirements, the Treasurer will charge the lending institution the market deposit rate on that deposit. The lender, in turn, can then charge the borrower the market rate on the loan.

## **CONTACT**

Missouri State Treasurer  
Program Director: B.K. Perkins  
P.O. Box 210  
Jefferson City, MO 65102  
Phone: (800) 662-8257

## **OTHER SERVICES OF DED**

### **DED REGIONAL OFFICES**

St. Louis (314) 340-6823  
Kansas City (816) 889-2900  
Trenton (660) 359-5960  
Springfield (417) 888-4001  
Moberly (660) 269-8802  
Dexter (573) 624-9950  
Houston (417) 967-5770  
Jefferson City (573) 751-0482

### **RELAY MISSOURI SERVICE**

Voice user calling a hearing/speech impaired user:  
800-735-2466.  
Hearing/Speech impaired user calling a voice user:  
800-735-2966.

### **EMPLOYMENT ASSISTANCE**

DED's Division of Workforce Development works in collaboration with its one-stop career system partners to offer workforce development assistance to job seekers and employers. By using the State's network of one-stop career centers, customers can access America's Job Bank, seek referral and placement assistance, career counseling and testing, labor market information and use Missouri WORKS!, an Internet based, self-service workforce development tool. To find your nearest Division of Workforce Development location, consult your telephone directory under State Government or access us at [www.ecodev.state.mo.us/wfd](http://www.ecodev.state.mo.us/wfd)

### **MISSOURI MARKETPLACE**

Information on thousands of Missouri-made products and services designed to encourage both

in-state and out-of-state businesses and consumers to buy Missouri-made products. Registration is free and open to any Missouri-based company. To search the database or register your company, visit: [www.missourimarketplace.org](http://www.missourimarketplace.org)

### **INTERNATIONAL MARKETING**

DED's Office of International Marketing works to make companies aware of international opportunities and help them secure new business. For more information on the services available, please call (573) 751-4855 or 1-888-690-4855, by e-mail at [missouri@mail.state.mo.us](mailto:missouri@mail.state.mo.us) or visit [www.ecodev.state.mo.us/intermark](http://www.ecodev.state.mo.us/intermark).